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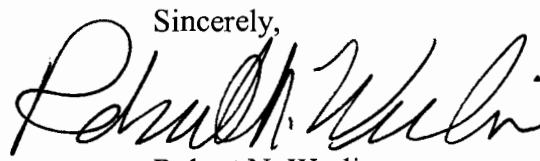
Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: NSTAR Electric Company, D.T.E. 06-40

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter are the responses to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,

Robert N. Werlin

Enclosures

cc: Service List

Responses to Information Requests

AG-2-5
CLC-1-1
CLC-1-2
CLC-1-18
CLC-1-24
CLC-1-26
MIT-2-12

Information Request AG-2-5

For each of the contracts provided in the response to AG-2-4 and AG-2-5, please provide a schedule showing the actual 2004-present monthly bills for each customer and the associated bill determinants. The response should clearly identify the transmission components and provide references to the associated contract pricing provisions. If the contracts refer to tariffs, please identify the specific governing tariff provisions and provide a website reference to the identified provisions. If the monthly billed amount and/or quantity includes an adjustment for a prior period, please provide a detailed explanation of the adjustment and how it was calculated. Provide a working Excel spreadsheet model supporting all calculations.

Response

**[PROTECTED MATERIALS ATTACHED]
[BULK ATTACHMENTS]**

NSTAR Electric has divided the contracts provided in response to Information Request AG-2-3 into two general categories: (a) those that are billed one-twelfth of an annual amount each month, and (b) those where the monthly bill varies according to bill determinants.

- (a) Please refer to Attachment AG-2-5(a) (**CONFIDENTIAL**) for a listing of the monthly billed amounts for 2004 through the latest bill in 2006 for contracts that are based on annual amounts that are billed monthly, with a true-up if appropriate. In some cases where the prior month's bill had not been paid on time, an interest component is added to the following bill which results in minor monthly variations.
- (b) Please refer to Attachment AG-2-5(b) (**CONFIDENTIAL**) for a listing of the monthly billed amounts for 2004 through the latest bill in 2006 for contracts based on actual billing quantities. Please also refer to Attachment AG-2-5(c)(**CONFIDENTIAL**) (which is composed of Attachment AG-2-5(c)(1) (**CONFIDENTIAL**) through Attachment AG-2-5(c)(9) (**CONFIDENTIAL**)) for copies of the monthly bill calculation for these line items which show the relevant billing determinants.

Please refer to Attachment AG-2-5(d) (**CONFIDENTIAL**) for explanations of some of the specific contract line items.

Information Request CLC-1-1

With respect to RMR and other zonal transmission costs imposed by ISO New England in NEMA, please provide percentage of such costs allocated to:

- (a) Cambridge load; and
- (b) Boston Edison NEMA load.

Response

The ISO allocates RMR and other zonal transmission costs based upon the respective companies' monthly network load as a percent of the total load for the zone, so the percent allocation will vary from month to month. For purposes of estimating the allocation of costs, Cambridge's share is assumed to be 7 percent and Boston Edison's share approximately 63 percent, consistent with how ISO has, on average, allocated the Mystic and New Boston charges to date.

Information Request CLC-1-2

With respect to RMR and other zonal transmission costs imposed by ISO New England in SEMA, please provide percentage of such costs allocated to:

- (a) Commonwealth load; and
- (b) Boston Edison SEMA load.

Response

The ISO allocates RMR and other zonal transmission costs based upon the respective companies' monthly network load as a percent of the total load for the zone, so the percent allocation will vary from month to month. For purposes of estimating the allocation of costs, Commonwealth's share is assumed to be 37 percent and Boston Edison's share approximately 9 percent, based on summer load estimates.

Information Request CLC-1-18

Please provide using Working Spreadsheets the equivalent of NSTAR-CLV-4 for day-ahead prices.

Response

Please refer to Attachment CLC-1-18, which provides the information for the years 2004 and 2005 regarding day ahead locational marginal pricing in NEMA and SEMA, respectively, on a monthly, load-weighted average basis. An Excel spreadsheet of the attachment is provided on a CD.

NEMA and SEMA Day Ahead Locational Marginal Pricing (LMP)
Years 2004 and 2005
Monthly Load Weighted Data

	NEMA 2004	SEMA 2004	Difference 2004	Percentage Difference	NEMA 2005	SEMA 2005	Difference 2005	Percentage Difference
<u>Day Ahead</u>								
January	83.89	83.13	0.76	0.9%	75.15	71.22	3.93	5.2%
February	51.33	50.61	0.72	1.4%	57.28	56.10	1.18	2.1%
March	48.07	47.51	0.56	1.2%	64.58	62.95	1.63	2.5%
April	52.20	51.74	0.46	0.9%	71.47	63.54	7.93	11.1%
May	56.83	55.49	1.34	2.4%	59.74	58.00	1.74	2.9%
June	54.19	53.36	0.83	1.5%	73.31	67.13	6.18	8.4%
July	50.83	50.20	0.63	1.2%	86.99	74.95	12.04	13.8%
August	48.52	47.86	0.66	1.4%	98.18	87.59	10.59	10.8%
September	44.77	44.36	0.41	0.9%	107.61	101.28	6.33	5.9%
October	52.28	50.46	1.82	3.5%	114.27	112.72	1.55	1.4%
November	54.20	51.32	2.88	5.3%	80.73	80.68	0.05	0.1%
December	63.10	59.69	3.41	5.4%	101.66	101.81	-0.15	-0.1%
Average				2.2%				5.3%

Information Request CLC-1-24

Please explain how NSTAR proposes that load profiles for customers without interval meters would be developed in the merged company.

- (a) Would NSTAR continue to develop separate load profiles for former Cambridge, Boston Edison, and/or Commonwealth customers?
- (b) Would NSTAR develop separate load profiles for its NEMA and SEMA areas?
- (c) Would NSTAR develop a single aggregate load profile for all customers in a rate class, regardless of location?

Please explain why NSTAR's preferred approach would best serve the interests of electricity consumers and the competitive market.

Response

No change is proposed to the development of load profiles for customers with interval meters in the merged company at this time.

- (a) NSTAR Electric would continue to develop load profiles for customers without interval meters for all major rate classes as defined in applicable rate tariffs.
- (b) As an Assigned Meter Reader for the ISO-New England, NSTAR Electric is required to develop separate load asset load profiles for the NEMA and SEMA load zones.
- (c) Yes.

Information Request CLC-1-26

The Cape Light Compact and Commonwealth are parties to an energy efficiency plan operating agreement effective October 1, 2003. Please confirm that the proposed merger will not impact NSTAR's ability to provide to the Compact the data specified in the operating agreement. If the proposed merger will impact NSTAR's ability to comply with the operating agreement, please describe in detail any such impacts.

Response

The proposed merger will not affect NSTAR Electric's ability to provide to the Compact the data specified in the energy efficiency plan operating agreement effective October 1, 2003.

Information Request MIT-2-12

Please refer to NSTAR's response to DTE 2-8 which identifies new circuits and new customers added to the 13.8 kV system since the revenue and cost information provided in D.T.E. 97-95. Please provide the incremental rate base and component of the annual revenue requirement attributable to these 13.8 kV additions.

Response

NSTAR Electric does not track the cost of the 13.8 kV circuits on an individual cost basis within its financial continual property records. In addition, Cambridge did not provide revenue and cost information in D.P.U./D.T.E.-97-93. That proceeding was an investigation by the Department into the classification of transmission and distribution facilities based upon the application of FERC's seven-part test. The information provided was technical in nature and did not address the cost aspects of the facilities.

However, Cambridge had performed a functionalized unbundled cost of service study in compliance with restructuring Cambridge's rates under D.P.U./D.T.E. 97-111. See Attachment AG-4-4. The study reflects the historical test year 1995 and was based upon using the principles and precedents established by the Department. The rate base of the 13.8 kV system from the study was \$28,052,250. The retail revenue requirement was \$7,312,377. In Exhibit NSTAR-CLV-7, NSTAR Electric provided the detailed cost of the 13.8 kV system based upon a FERC formula rate in Docket No. ER05-742 and 2005 data. The rate base \$43,245,011 and the retail revenue requirement was \$13,421,298. The incremental difference in the rate base is approximately \$15,192,761 (\$43,245,011 - \$28,052,250). The incremental difference in the revenue requirement is approximately \$6,108,921 (\$13,421,298 - \$7,312,377).

Note that this analysis provides the difference in rate base and revenue requirement of the 13.8 kV system, including both 13.8 kV lines and substations.